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Arthroscopic Repair SBU



Smith & Nephew Endoscopy

Focus & Execution

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Arthroscopic Repair - key market drivers

Active aging population

Patient preference for minimally invasive surgeries

Favorable U.S. reimbursement rates

- Expected move by government agencies to reduce current reimbursement barriers on ASCs

Adoption of procedures and techniques in
International markets

Surgeon Education

- New technologies and techniques



Market movers

Knee Arthroscopy

- “Anatomic reconstruction” - improved techniques that provide greater rotational stability

Shoulder Arthroscopy

- More procedures converting from Open to Arthroscopic
- Improved Double Row fixation technique and devices

Hip Arthroscopy

- Recent advances in technology allows better access

Small Joint

- New instruments to provide better access

Biologics



Arthroscopic Repair Strategic Business Unit (SBU)

5 key areas of focus

- Knee
- Shoulder
- Hip
- Small Joint
- Biologics



Strategic objective

#1 Market leadership position
in arthroscopic repair across
the entire franchise!



Sustaining a leadership position

Customer Intensity

- Idea Management Process
- Advisory Board Meetings
- Accelerated Development & Speed-to-Market

Innovation

- R&D Integrated into SBU Concept - *Innovation Engine*
- Focus on Key Platform technologies
- Biologics Strategy

World Class Surgeon Education Program

- Investments in Surgeon Education
- Work with Professional Societies
- Clinical Specialists
- Focus on Fellowship Programs

Sales Force Excellence

- Education
- Execution



Driving awareness in Hip Arthroscopy

8.3 million (aged 18-64) are diagnosed with hip conditions which could potentially be treated arthroscopically. Assume 10% are real candidates.

Misdiagnosed/Undiagnosed.

- One study showed 33% of patients were misdiagnosed. Correct diagnosis took an average 3.3 visits and 21 months.

Tapping into the opportunity

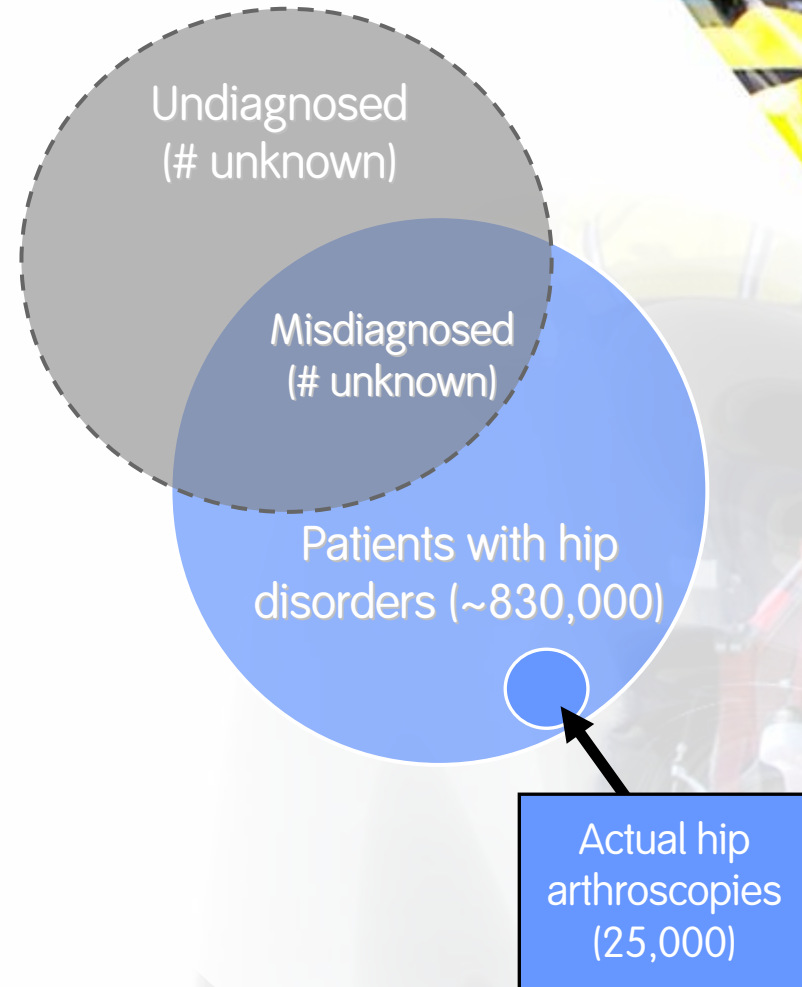
Heavier Investments in Surgeon Education

Orthopedic Surgeons Educating General Practitioners

Patient Education Programs

Full compliment of hip positioning systems and instrumentation

Simplifying procedures through Innovation



H1 performance

Repair grew 19%

Investments in Surgeon and Sales Force Education

- Increased hands-on cadaveric based training for surgeons
- Intensive sales force training throughout year

New products

KINSA[◊] Suture Anchor

- Instability

Anatomic Director Set

- Double Bundle Technique

ENDOBUTTON[◊] Family

- ENDOBUTTON Direct
- ENDOBUTTON CL

Hip Positioning System

- Allows Easier access into hip joint



Feeding the growth trend

Knee

- ULTRA FAST-FIX[◊]
- ENDOBUTTON[◊] CL Ultra

Shoulder

- ELITE[◊] Instrument Upgrade
- TWINFIX[◊] Anchor System

Hip

- Hip Access System
- ELITE hip set
- Lateral Hip Positioning System

Small Joint

- New anchors
- Increased education and sales focus



Sustaining momentum

Shoulder/hip market growth

Increased investment in surgeon education

Robust product pipeline

Leverage OUS

Technique driven focus

Innovation and Customer-centric



 We are **smith&nephew**